

otherwise defend themselves. That is what this budget is about. It is not about an abstract document. The fact that I happen to be able to grab a piece of paper and budget figures on a piece of paper does not mean that that is the budget. The budget is people. This is the people's House. We represent the people. We have a certain time on Earth given to us to justify our existence. That is the way I look at it.

I do not deserve anything. I am not entitled to anything. But I will tell my colleagues what I am entitled to under the Government of the United States, is consideration. Consideration, based on the Constitution of the United States and the Declaration of Independence that formed the basis of our association with one another as a republic.

So, it is important for us to transpire and translate this document, this budget, into human terms and to consider the human dimension. If we do, I think we are going to look at it a little differently. I am perfectly content, Mr. Speaker, I have been a legislator all of my life. I understand that not everybody thinks as I do, and I understand that positions I may have held at one time I have changed over the years.

Mr. Speaker, I have changed them because I have learned more. Hopefully, I am not so set in my ways as to believe that revealed wisdom is somehow mine at a given point in my life and there is nothing else for me to learn. In this particular context, I think there is a lot for us to learn, and there is a lot for us to give to one another in terms of the knowledge that we have acquired.

If we want to reduce the deficit, and I do think that is important, and if at some point we want to balance the budget, and I do think that that is important, by all means let us do it in a sensible way. Very few people, Mr. Speaker, are able to buy their house on the day that they move into it. The bank advances them a sum of money on the basis that they will be able to balance their budget. That is to say, they will have sufficient funds to be able to make the series of payments necessary in order for them to pay off that house.

We do that as governments all the time. What we say, if we are on the city council or in the State government or in a village situation where we have a bond issue for sewers or for roads or for schools, we say that over a period of time we will pay for that, because not just the people of today, but the people of tomorrow, the young people as they grow older, will be using these facilities.

We have a budget that takes that into account and over 5, 10, 15, 20, and 30 years, we pay the principal and interest associated with those projects and those expenditures that we feel are in the general public's interest; in the common interest of the people in our communities.

We see this as being fair and equitable. That is all I am asking for, Mr.

Speaker. So, I want to close perhaps by reiterating and summarizing as follows: If we truly want to have a budget that we can go before our families, our friends, our communities, go before those folks who depend upon us, and speak with them honestly about it; that will review the premises upon which this balanced budget is being proposed; that will deal with some honest number, recognizing that we cannot command the next Congress; that there are 2 Presidential elections over the next 7 years, then we have to try and set a basis, a foundation, for a budget that will enable us to be able to carry on the legacy, the heritage of freedom in this country, and to pass on to those who will have the responsibility after us, a responsible budget which has been arrived at in an honest fashion, and which preserves and protects not just Social Security and the other trust funds, but protects the basis upon which we are able to conduct the proper business of the people of this country.

That budget, fundamentally, in the end, Mr. Speaker, is people, and unless we translate this budget into people terms, we are doing a disservice to the very people who have given us the responsibility to be here today.

STATUS OF BUDGET NEGOTIATIONS

The SPEAKER pro tempore (Mr. METCALF). Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. RIGGS] is recognized for 60 minutes as the designee of the majority leader.

Mr. RIGGS. Mr. Speaker, let me point out that I am performing some special responsibilities tonight as what we call on this side of the aisle, the Theme Team leader. I hope to be joined by some of my colleagues in this special order lasting approximately 1 hour. This is time reserved by the Republican majority to talk about issues of the day.

However, having said that, I will also point out that we have ended legislative business for the week and I do not know if I will be joined by some of my colleagues, but it is my hope to talk a little bit about the budget situation.

Mr. Speaker, I think Americans are curious to know the status of these negotiations, since we are roughly 1 week away from the December 15 deadline for the short-term continuing resolution which has allowed us to keep, if you will, the doors of the Federal Government open and continue to pay our bills. A week from tomorrow, December 15, is when that continuing resolution expires; when the Federal Government runs out of funds.

□ 1715

So we have a little bit more than a week to reach a bipartisan agreement with the President and his administration and with our Democratic colleagues in the House over the terms of

a 7-year plan to balance the Federal budget using honest numbers are generated by the nonpartisan Congressional Budget Office, a balanced budget over 7 years which does not resort to Washington budgeting. There is a little bit more than a week to reach an agreement to preserve the American dream for our children and our grandchildren rather than to leave them with the legacy of the American debt.

I would point out the obvious, which is that we Republicans, while being the new governing majority in the Congress for the first time in 40 years, lack the votes to override the President's veto. Therefore, we have to reach some sort of agreement with either the President and his administration or with enough of our Democratic colleagues to be able to override the President's veto, if the President continues to insist on balancing our plan, our balanced budget plan.

But at the beginning of my special order I wanted to talk just a little bit about the Committee on Standards of Official Conduct ruling yesterday on Speaker GINGRICH, particularly since it was the primary topic raised today during the opening of legislative business, the time that we normally reserve for what we call 1-minute speeches or 1-minute addresses to the House.

One of my Democratic colleagues after another came to the well, where I am now speaking from, to make or to reinforce accusations against the Speaker. It was clearly a smoke screen in my view to divert attention from what the Committee on Standards of Official Conduct really said in their ruling yesterday and also to divert attention away from the pressing business, the business of the American people, which is of course confronting this House, as I mentioned, and which we actually have just a little bit over a week's time to conclude. Again, the most pressing business, the most pressing issue confronting the House of Representatives is the American people's desire to have a balanced Federal budget.

So, first of all, let me just take a moment to clarify this Committee on Standards of Official Conduct rule on Speaker GINGRICH. I think my colleagues, particularly my newer colleagues who perhaps do not have the history of this institution, certainly, or perhaps are not aware of how the Committee on Standards of Official Conduct has been really turned into a tool or a vehicle for political vendettas, I want to spend a moment to talk a little bit about the history of the Committee on Standards of Official Conduct. I also want to take a moment to clarify that the Committee on Standards of Official Conduct is the only standing committee of the House of Representatives that is truly bipartisan in nature. That is to say, an equal number of Republicans and Democrats are serving on that committee.

Yesterday the five Democrats and the five Republicans, again an equal

number, making this truly the only bipartisan committee of the House, because all other committees have a majority-minority representation. That is to say, there are more Republicans, since we are now the majority party in the Congress, on every other congressional committee than there are Democrats, except for the House Committee on Standards of Official Conduct. Yesterday those 5 Democrats and 5 Republicans serving on that committee voted unanimously, that is 10 to 0, to effectively dismiss 64 of the 65 charges leveled against the Speaker of the House.

To me that clearly points out that these charges are baseless, and not only that, that they are largely frivolous and political in nature. The Committee on Standards of Official Conduct gives us real reason to believe that these charges were part of a political vendetta orchestrated from the day that the Democrat Party lost control of the House, a vendetta orchestrated to discredit the Speaker by attacking him personally.

After 15 months and millions of taxpayer dollars and hours and hours of time spent investigating, the liberal Democratic minority, the liberal Democrats who constitute a majority of the minority party in the House of Representatives, those liberal Democrats who launched this unfounded smear campaign owe the House and the taxpayers an apology. These were frivolous charges that were made for political reasons and attempt to politicize and to misuse the ethics process.

This is not an isolated example. This continues a Democratic pattern of abuse of the Committee on Standards of Official Conduct. These phony charges against Speaker GINGRICH are really nothing new because in 1989, Democrats, in retaliation for then-Speaker Jim Wright's resignation, filed nearly 500 charges against Representative GINGRICH. Just like today, after a long and costly investigation, Representative GINGRICH was exonerated.

These attacks against Representative GINGRICH may be phony, as he himself has said, but they are a serious pattern of misuse and even abuse by a frustrated Democratic Party bent on politicizing the Committee on Standards of Official Conduct. So, while we are working to try and change America, they are working to try and change the subject.

These charges were a coordinated effort, again by the most liberal element of the House Democratic Party, not to seek the truth or justice, but to stop us from balancing the budget, reforming welfare, providing tax relief for families, and sending power back to States and to families, just as we promised to do and just in fact as we have been doing since we became the majority party in Congress last January 4.

I also want to take a moment, because it really riles me to see that the gentleman from Michigan. [Mr. BONIOR], DAVID BONIOR, has sort of become the point person for the Demo-

cratic minority in leveling these charges against the Speaker. It upsets me to see a Member of the House Democratic Party leadership really take the point in leveling these charges and leading the attack against the Speaker.

I worry sometimes that again some of our newer colleagues perhaps may not have an understanding of the recent history in this institution. I certainly worry that many of our constituents, the American people, do not realize that some of the people engaged in this orchestrated political vendetta against the Speaker are the very people who presided over the scandals that have rocked the House of Representatives in recent years.

It is very important to understand that the governing party, the majority party in the House of Representatives, has added responsibilities, a special duty to administer the House on a day-to-day basis. That means all the administrative and financial functions of the House of Representatives. Of course until last January, the party responsible for managing the House of Representatives was the Democratic Party. I very well remember, because of my personal experiences from my first go-around in Congress as a Member of the 102d Congress, I remember vividly the House Bank and Post Office scandals that occurred on the watch of the House Democratic Party leadership.

I remember when then-Speaker of the House, Tom Foley, speaking from this podium opposite me in the well of the House, took the report from the General Accounting Office. This was an audit of the House, the so-called House bank, which was really a membership cooperative and check-cashing office. I remember when Speaker Foley took the audit indicating over 8,000 bounced checks at the House bank, waved it in the air, standing down here at that podium right there, typically where the Democrats speak from. He waved that audit in the air, and he said: This is now a matter that is over and done with.

He submitted the GAO report for the CONGRESSIONAL RECORD. Translation: We have not done anything wrong, and we will not do it again.

A small group of us, proverbial back benchers because we were junior members of the Republican Party, the minority party, which was to become known as the Gang of Seven, happened to be on the House floor. And that moment we came together and said: We are not going to let this pass unnoticed. We are going to challenge what appears to be a deliberate effort on the part of the House Democratic Party leadership to sweep this matter under the rug.

Well, the rest, as they say, was history, and to make a long story short, we ultimately helped lead the fight compelling full disclosure of the names of those who had abused their membership privileges, their part of the per-

quisites of being a Member of the House of Representatives at the House bank over the opposition of the entrenched Democratic Party leadership, which was to include in that 102d Congress the gentleman from Michigan who now attacks the ethics of the Speaker of the House, the gentleman from Michigan [Mr. BONIOR].

Later in that same Congress, of course, we had the post office scandal. I can recall, again, as a member of the Gang of Seven, standing upstairs in the House press gallery and telling a news conference of the national news media that there was *prima facie* evidence to suggest criminal wrongdoing at the House bank and post office. And I based that on my former experience as a law enforcement officer and police investigator. I can remember them laughing aloud, scoffing openly at the suggestion, the temerity on my part to suggest that there had actually been illegalities or criminal wrongdoing.

But if you come forward to the present day, we now know that there have been a number of indictments, criminal indictments and criminal convictions on the part of House officers and employees as well as Members of the House of Representatives in conjunction with those two scandals. The bank and post office scandals really gave new meaning to the term, the old joke, the check is in the mail.

Later, out of the House post office scandal, we had revelations of ghost employees, ghost employees on the payroll, on the official staffs at taxpayer expense of Members of Congress. Those are serious allegations. They were leveled against a former member of Congress from Illinois by the name of Dan Rostenkowski who was then chairman of the House Committee on Ways and Means and very much a part of the House Democratic Party leadership.

I cannot recall any protest from the gentleman from Michigan [Mr. BONIOR]. I cannot remember Mr. BONIOR ever going on record. And this is the same gentleman now who constantly chases the TV cameras and anyone holding a microphone. I cannot remember that gentleman ever coming forward and condemning these ethical lapses and these deliberate abuses in the House of Representatives.

In fact, in the last Congress, in the last Congress, there were two votes, two votes to force the House Committee on Standards of Official Conduct to investigate the allegations against then-Representative Rostenkowski, both of which were defeated on pretty much a straight party-line vote, the Democratic majority outvoting the Republican minority. Where was Mr. BONIOR then?

Well, the answer of course is that he was part of the Democratic Party leadership. He was part of a concerted effort to control the damage, to cover up the true extent of the House bank and post office scandals and to thwart an

official Committee on Standards of Official Conduct investigation of Representative Rostenkowski.

I might add that the gentleman from Michigan [Mr. BONIOR] had 76 over-drafts at the House bank for which he was never held accountable by his colleagues in the House of Representatives. Remember, of course, that Representative BONIOR now insists that the House take action against the Speaker. He gloats that the decision to dismiss 64 out of the 65 charges against the Speaker of the House is some sort of great victory and that the appointment of an outside counsel to assist the Committee on Standards of Official Conduct in investigating the 65th charge, which entails complicated tax issues, is somehow, again, a vindication of his position all along.

But I would love to ask Mr. BONIOR, where was your moral outrage, where was your indignation when this institution was consumed by the House bank and post office scandals? How did you vote on July 22, 1993, when the House defeated by a party-line vote of 242 to 184 the Michel resolution offered by then-Republican-leader Bob Michel to force immediate disclosure of House administration transcripts of the post office inquiry?

In fact, the two gentlemen from Florida who have been prompted, coming down to this floor talking about how we are going to force the House to demand an immediate accounting from the Committee on Standards of Official Conduct, we want immediate disclosure of the Committee on Standards of Official Conduct proceedings against the Speaker of the House, I dare say that those two gentlemen from Florida, Representative PETERSON, Representative JOHNSTON, both voted with the majority here back on July 22, 1993, to block immediate disclosure of the House administration transcripts of the post office inquiry.

Then later, March 2, 1994, again by another party-line vote of 238 to 186, the House of Representatives, under the control of the Democratic majority at the time, defeated a resolution by the gentleman from Oklahoma [Mr. ISTOOK] to immediately initiate a Post Office investigation by the Committee on Standards of Official Conduct.

So you can see, my colleagues, that there is clearly a double standard in this House of Representatives, clearly a very convenient short-term memory lapse by my Democratic colleagues with respect to the scandals which again rocked this institution under their watch.

□ 1730

Clearly there is no limit on hypocrisy with a capital H in this town. In fact it reminds me, as I watched these shenanigans, I am always reminded, I think, of the wonderful Woody Allen line: "No matter how cynical I get, I just can't seem to keep up," particularly when I watch the hypocrisy and the double standard on the other side

of the aisle. So I wonder where is your moral outrage at what occurred then? How could you have been silent, and how could you have condoned and acquiesced to those scandals then but be so outraged today, and for that matter where is your outrage at the scandals that have rocked the current Presidential administration, the Clinton administration, which promised us the most ethical administration in the history of our country? Where is your outrage, Mr. BONIOR and others, over the Whitewater scandal and what appears to be with every passing day more and more evidence of a high-level coverup in the administration, a high-level damage control operation in the White House to prevent the American people from knowing the full truth and all the facts regarding the Whitewater scandal? And on, and on, and on.

There is almost a joke today that the Clinton administration cannot have a Cabinet meeting without all the Secretaries bringing along all their independent counsels and their lawyers.

So what is this all about? It is really an attempt, as I said earlier today during 1-minutes, to divert attention from the major issues confronting this Congress, the important work, the important business, of the American people, and that is balancing the Federal budget, keeping our promises, doing the right thing for our children's future.

Now what happened yesterday? Mr. Speaker, yesterday, with one stroke of his pen, the President replaced the American dream with the American debt. Now the President of course has, having vetoed our 7-year plan to balance the Federal budget as certified by the nonpartisan Congressional Budget Office, the President vetoed our plan, arguably the most important bill to cross his desk since he became President of the United States, the President now has a responsibility to offer his own balanced budget, to tell us specifically what he does not like about our proposal, without any gimmicks and without any rosy economic scenarios.

But before we get into the President's proposal, because bear in mind it has now been 2 years and 11 months roughly that he has been President of the United States, and he has yet to send to this Congress, or to the last Congress, his plan for balancing the Federal budget. But, first of all, I think we have to ask why, why did the President do this? Why did the President veto the most important piece of legislation to cross his desk since he became President?

Well, why did the President veto a sound, reasonable, balanced budget? It sort of begs the question does he really want a balanced budget or does he want to play politics with this whole issue of balancing the Federal budget as part of what I call the nonstop campaign? And at some point in time I really believe you got to put the politics aside and act on principle, and that time is now.

Why did the President veto welfare reform, because we had put our welfare reform proposal into the Balanced Budget Act of 1995 which he vetoed yesterday; why did he veto that? Does he really want, as he promised as a candidate for President of the United States, does he really want to end welfare as we know it? Why did he veto Medicare solvency? Does he really want to save Medicare? Is he completely ignorant of the report made by his own Cabinet Secretaries, the public trustees of the Medicare trust fund, that Medicare starts to go broke next year and will be completely bankrupt in 7 years? Why did the President veto Medicaid reform, the kind of Medicaid reforms that he lobbied for as the Governor of Arkansas? Why did he veto Medicaid reform that would give States, as he argued back when he was a Governor, more money, greater flexibility, and less bureaucratic red tape?

All questions then await an answer from the President now that he has vetoed our plan to balance the Federal budget.

The President has clearly, against the will of the American people, the President has clearly tried to ignore the will of the people and avoid balancing the budget.

So I have got a message to the President, to my colleagues, yesterday. I have three children. I, like many other proud dads, carry their photographs everywhere with me in my wallet. Actually I have a large photograph, but I left it over in my office in my office desk. I wanted to bring that over here and hold it up, but I want my colleagues to know that the President said—what the President said to my kids yesterday, 20 and 13. Those are our two boys, Ryan and Matt, and our little girl, Sarah Ann, who is 8½ going on 18. I want the President to know what he said to my kids yesterday. He said:

If you want a brighter future, here is a veto. If you want to be able to live the American dream and not inherit the American debt, here is a veto.

I want to remind my colleagues that the Balanced Budget Act was not just a good bill, it is the only bill. There is only one credible plan in this town that would balance the budget using honest numbers while cutting taxes for working families, and that is the bill the President vetoed yesterday.

All we can gather from this action is that the President wants to take more of my children's money, because remember, our children are going to be spending for our excesses, they are going to be paying high taxes to pay for our wasteful spending practices, and we really believe it is immoral on this side of the aisle in Congress to borrow from our children's future to pay for today's spending binges, but that seems to be the message from the President and his administration.

Now let me just point out that we have some pundits weighing in on this particular subject, some pundits who have looked at all this give and take,

back and forth, between the Republican majority in the Congress and the President and his administration on the balanced budget, and I want to bring a couple of quotes to your attention.

I want to quote from the Washington Post a couple of days ago, December 5, in a column written by James Glassman, and he is a regular columnist now for the Washington Post, but he is a pretty knowledgeable guy about Capitol Hill because he used to be the editor of Roll Call newspaper, the weekly newspaper that is published on Capitol Hill, and here is what he wrote about the budget:

My own judgment is that the lack of a deal is Clinton's fault. To be fair, Clinton and Congress differ on how a small part of this spending will be financed. If the two sides are so close, why is there no deal? That is the big secret that we seem to be keeping from the American people, is that we are actually relatively close. In fact, the President has proposed to limit the growth of Medicare, the President has proposed to cut middle-class taxes. In fact, by the same reasoning that so many of our Democratic colleagues use here in the House of Representatives the President is proposing to limit the growth of Medicare to help finance a middle-class tax cut, but you will never hear that acknowledged by the Democratic minority in the House.

Anyway, back to Glassman's quote. He says: "If the two sides are so close, why is there no deal? I am not sure Clinton wants one right now. With shutdown two looming on December 15, next Friday, a week from tomorrow, he would rather portray the Republicans as extremist and obstructionist and himself as the savior of health care for seniors and the poor. The actual numbers, listen to this, the actual numbers from an objective, neutral, unbiased observer, the actual numbers prove this claim is malicious nonsense, malicious nonsense. The only question is how long it takes Americans to realize it."

That is James Glassman 2 days ago in the Washington Post.

Now listen to this, same day, December 5, a quote from Democratic Senator and Senate Budget Committee ranking minority member JAMES EXON in the Omaha World-Herald newspaper: "When you come down to the numbers, it has been impossible to get the Democrats to agree to any kind of plan. I am critical of my own party," says Senator EXON regarding Congressional Democrats. "I think we have to come up with a budget to be credible."

That is coming from one of the people inside the room, one of the leading budget negotiators, the ranking Democrat on the U.S. Senate Budget Committee, Senator JAMES EXON.

Now listen to the Boston Globe on Monday of this week speaking of Leon Panetta, former Congressman and Committee on the Budget chairman in the House of Representatives, and now chief of staff at the White House leading the White House negotiating team on the budget deliberations. Here is what the Boston Globe says:

"Panetta acknowledged last week that Democrats are bargaining from a position of some weakness." They quote Panetta as saying, "We should have been the ones who asked the toughest questions about costly government programs," he said. "I think we lost something when we didn't," and I raise that now because I want to speak about my former California colleague, Leon Panetta, in just a moment, because, as you will see, Leon Panetta has been all over the political landscape when it comes to the idea of a balanced-budget plan, a credible balanced-budget plan.

So again, colleagues, with one stroke of his pen yesterday President Clinton vetoed the first balanced budget in 25 years, 25 years. The only real balanced budget plan the President has ever touched, he vetoed, and he vetoed it with a flourish, with a lot of fanfare, as if that is going to give him additional political mileage. His explanation for not giving the American people a balanced budget was that our plan, again certified by the Congressional Budget Office as balancing the Federal budget in 7 years, our plan which increases spending from \$9 trillion over the past 7 years to \$12 trillion over the next 7 years, almost a \$3 trillion increase, that our plan was, to use the President's word, "extreme."

Well, let me tell you something. The American people know this. My constituents know this. There is nothing extreme and unacceptable, another term the President used, about lowering interest rates, giving American workers more take-home pay, saving Medicare from bankruptcy, ending welfare as we know it, and, yes, we are going to continue to remind the President of that campaign promise, increasing spending as I mentioned by almost \$3 trillion and giving more power to the States and communities. This is what the President vetoed, despite his rhetoric. He vetoed a sound, reasonable, balanced budget. He vetoed welfare reform that really does end welfare as we know it.

Now there is a certain rich irony in a new Republican majority in the Congress attempting to help a Democratic President make good on his fundamental campaign promises, because that is exactly what is occurring here. The President campaigned on a promise of ending welfare as we know it—

The SPEAKER pro tempore (Mr. METCALF). Would the gentleman suspend?

As stated on page 175 of the House Rules and Manual, the Chair will remind the gentleman from California that it is not in order in debate to mention the name of a Senator—except as a sponsor of a measure or in quotations from Senate proceedings for the purpose of making legislative history—or to refer to a Senator or his vote on a proposition.

Mr. RIGGS. I appreciate the Speaker's reminder. I was quoting the Senator, I believe, from a newspaper, so I

do stand admonished, and, Mr. Speaker, let me ask how much time I have remaining, please.

The SPEAKER pro tempore. The gentleman has one-half hour remaining.

Mr. RIGGS. All right.

Mr. Speaker, with that reminder let me pick up where I left off. I was talking about the irony of a Republican majority helping a Democrat President make good on his fundamental promises, and if you go back to the 1992 Presidential campaign, you will recall that the President campaigned on a promise of ending welfare as we know it and a promise of reducing middle-class taxes. We want to do both. We do both in the Balanced Budget Act of 1995, which he vetoed yesterday.

So I want to say again the President with one stroke of the pen yesterday vetoed tax cuts for families, and do not—I know the American people see through this smokescreen, this constant class warfare demagoguery that they hear daily on the floor of this Congress, and I think that is evidence of just how intellectually bankrupt the congressional Democratic Party has become at times. But I know the American people see through that, but I simply want to stand here today and tell you that three-quarters of the tax relief we provide in the Balanced Budget Act goes to families with dependent children. We think that is very important.

□ 1745

We think it is fundamentally important to give American families an economic dividend from the first balanced budget in 25 years. Yes, we do philosophically believe that the American people are entitled to keep more of their own hard-earned money, that they are in a better position to determine how to spend that money than the Federal Government and the Federal bureaucracy back here in Washington, so we give tax relief to families. We have especially helped middle-class families which have felt the burden, the twin whammy, the pinch, if you will, of rising taxes and stagnant or even declining wages in recent years, so our tax relief is targeted to middle-class and low-income families. And, in fact, our tax relief would completely eliminate the Federal tax liability of 4.7 of the lowest-income families in America. That is what the President vetoed yesterday. He vetoed a \$2.5 trillion increase in Federal spending in the next 7 years over the last 7 years, as I mentioned earlier.

How much more money does the President want to spend? We will not know until we get a detailed proposal, a counter proposal, if you will, from the President. I will point out that when the President vetoed the Balanced Budget Act yesterday, he vetoed the American people, because in the largest public opinion survey ever taken, 7,200 registered voters with a margin of error of 1 percent on the

issue of a balanced budget, the American people said yes to our plan to balance the budget. Fifty-seven percent of the American people surveyed embraced our plan after being given a few facts; a few facts, not the rhetoric, not the distortions, not the demagogery; facts about how our plan treats programs like Medicare; student loans which increase from \$24 billion to \$36 billion, a \$12 billion increase over the next 7 years; Social Security, which has always been off the table, and I think that is one of our biggest accomplishments, balancing our budget while providing tax relief for American families and without touching Social Security.

In fact, I think as other Members have pointed out, we have to generate a budget surplus here in Washington by 2002 or sooner, so we can begin paying down and ultimately paying off the national debt, and repaying the money to the Social Security trust fund that we have borrowed over the years. In fact, I think our constituents and our colleagues need a reminder that \$1.5 trillion of the \$5 trillion national debt that we have today is money borrowed from the trust funds of the Federal Government, chiefly, Social Security, so we have to repay that money. The only way we can do that, obviously, is to balance the Federal budget and then generate a budget surplus year in and year out. I still get wide-eyed looks when I raise the idea of budget surplus from my constituents in my town meetings, but we are going to do that.

As I told one of my constituents at the beginning of this year, who asked me in a town meeting, "Congressman, will I ever see a balanced budget in my lifetime?" I said, "Yes, you will. You will see it this session of Congress, and you will see in your lifetime budget surpluses in Washington that go to pay down and pay off the national debt so our children do not inherit that debt."

So 57 percent of the American people embraced the plan after they learned the facts, 86 percent believed that the President and Congress should deal with the budget issue now. That is the language of the short-term congressional, the continuing resolution that expires next Friday. We said "shall," not "maybe," not "if." We said, "We shall deal with the budget now."

Seventy-one percent of the people surveyed agreed that President Clinton should submit a 7-year balanced budget plan scored by the nonpartisan Congressional Budget Office, as he himself once promised to do in a State of the Union address, standing at that podium right there behind me. My, what a difference an election makes, and the hypocrisy quotient begins to go up again.

Seventy-three percent of the people surveyed agreed that the President and Congress will not balance the budget unless they stick to the 7-year deadline. Again, that is from the largest public opinion survey ever taken in the history of our country. So I wanted to try and stress a couple of those points.

I wanted to take a moment again just to look at what the President said yesterday when he vetoed the Balanced Budget Act, H.R. 2491, and I quote from a transcript of his veto message which was on the U.S. News wire yesterday: "The bill seeks to make extreme cuts and other unacceptable changes in Medicare and Medicaid."

I am here on the floor tonight to say to the President, to my colleagues, to my constituents, and to the American people that there are absolutely no extreme cuts in the Balanced Budget Act of 1995. Total Federal spending, as I have already mentioned, over the next 7 years when compared to the last 7 years actually increases \$2.5 trillion. Specifically, there are no extreme cuts, and I quote now from the President, there are no "extreme cuts and other unacceptable changes in Medicare and Medicaid."

A spending increase is not a cut, as the President himself said in 1993, when he also proposed slowing the rate of growth of Medicare: "Today Medicaid and Medicare are going up at three times the rate of inflation." The President recognized that was an unsustainable rate of growth in both of those programs. Then he went on to say, "We propose to let it go up at two times the rate of inflation. That is not a Medicare or Medicaid cut," from a speech he gave to AARP, the American Association of Retired Persons, on October 5, 1993.

What has changed? If anything, Medicare and Medicaid are in worse condition, worse shape today than they were back on October 5, 1993. But what do we do in our bill? We increase Medicare spending 6 percent a year between this year, fiscal year 1995, and fiscal year 2002. Medicare spending in actual dollar numbers increases from \$178 to \$289 billion, a 62-percent increase.

Here is the real news to the American people. The difference between our proposal on Medicare part B premiums and the President's proposal is \$4 a month, \$4 a month in the year 2002. That is what the President calls an extreme, unacceptable cut. Of course, the flip side of that is to make American workers, including minimum-wage workers, pay even more taxes so that Medicare part B recipients do not have to pay a slight increase in premiums.

Mr. Speaker, it just astounds me, again, the cynicism and hypocrisy that we see, and the evolution here of the President's position over the last couple of years. Medicare spending never differs more than 2 percent under the two plans, and in two of the next 7 years our Republican balanced budget actually spends more on medical care than the President's budget. Overall, the difference in total Medicare spending between the two plans is \$32 billion or 1.9 percent.

The other program the President singled out was Medicaid. Yes, we will no longer allow Medicaid to be an individual entitlement, a universal individual entitlement. We make it, instead, a

block grant program to the States, at the request of the Governors. I pointed out earlier that the President, when he was the Governor of Arkansas, requested these same innovations. I would also like the American people and my Democratic colleagues to understand that we are working very closely with the Governors in developing our plans, and in developing the particulars of the Balanced Budget Act of 1995.

Why are we doing that? We now have 31 Republican Governors in America representing 71 percent of the American people. Are we not going to consult them? Are we going to leave them out of the equation? Are we not going to treat them as equal partners in developing the Balanced Budget Act? Of course not. We have been acting on their request here as we craft a plan for reforming Medicaid.

Instead, we have a Medigiant proposal which gives States more money, greater flexibility, less bureaucratic redtape, just as the President wanted when he was a Governor, and which increase Medicaid spending by 55 percent. There is nothing extreme and unacceptable about lowering interest rates, giving American workers more take-home pay, saving Medicare from bankruptcy, ending welfare as we know it, increasing spending, and giving more power to the American people. That is just what I said earlier. I want to repeat it for emphasis, because that is what the President vetoed yesterday.

I see I am joined by my very good friend and colleague, the gentlewoman from California. I wanted to point out to her, she probably already knows this, but with our Medicare reforms, California, which is a high-cost, high-growth State, will get even more funding for Medicare recipients. Medicare recipients in California are going to realize and receive an increase of \$5,000 per beneficiary today to over \$8,000 per Medicare beneficiary in California in the year 2002. Our plans to balance the Federal budget in 7 years anticipate that we will spend over \$50,000 per Medicare beneficiary in California over the next 7 years. That is what the President apparently feels is extreme and unacceptable.

Mr. Speaker, I yield to the gentlewoman from California [Mrs. SEASTRAND].

Mrs. SEASTRAND. Mr. Speaker, I thank the gentleman from California for yielding to me.

Mr. Speaker, it is interesting to note, and the gentleman probably saw this article of November 29 of U.S.A. Today, it stated what life would be like in the year 2002 with a balanced budget. I was pleased to see that they agree with us. It means a larger economy, \$150 billion more in goods and services, lower interest rates, 30-year fixed-rate mortgages below 5 percent, lower inflation, higher incomes, no trade deficit, a stronger dollar; but they have a "but" here, and it says "cuts Federal spending."

I do not know if the gentleman from California hears from our constituents like I do, but that is why they sent us here. They know the Federal Government has to go on a diet. They want us to cut spending. They said also that there would be cuts, and they use that word cuts. They are talking about Medicare. We know that we are not cutting Medicare, as you just pointed out, we are going to increase the dollars there. We are slowing the rate of growth.

I find it interesting. Last night I had a phone call. I was working in my office quite late and did the answering of my phones. People are always amazed back home that I am answering the phone and working late hours. It was interesting, because the gentleman was concerned about balancing the budget and concerned about cutting Government. I pointed out to him, did he realize that we were increasing, under our budget, the Republican budget for the next 7 years, we were increasing spending from well over \$9.5 trillion to 12, and we are increasing it by \$2.5 trillion. When they are told this fact, people just stop dead in their tracks and say, "Why are you not doing a better job of cutting Government spending?"

Mr. RIGGS. They also say, I might point out, "Why are you not doing a better job of getting your message out?" on that point, and that is why we are doing the special order here tonight.

Mrs. SEASTRAND. That is why we are here, to try to get the message out to the hinterlands and California about what our plan is all about. I am doing my very best, as my colleagues are, to get our message out about how good our plan is for America.

I think it is important to share the information about the good old State of California. We have been hit very hard these last several years. We know about the moving vans leaving California for other points, other States. We do not like that idea. We like people to stay in California.

I have two children, 23 and 25, and they are now at the beginning of their careers. They are looking for a place, and they want to stay in the good old Golden State of California. They are concerned about what this means in their life: Are they going to be able to get a job in California? Are they going to be able to buy that dream home that they are dreaming about with that special someone that they hope to marry? Will they be able to have their children here and have a good life for their family?

I just would like to stress that under our plan, all of this over the next 7 years, it would give each and every one of them, not only my children but other people's children, the hope that it is good to stay in California and things will turn in America.

I would just like to say that under the Republican balanced budget plan, the Federal spending for our home State will increase from \$177 billion in the fiscal year 1995 to \$215 billion in the

year 2002, which is an increase, an increase. I am an old fourth grade school teacher, so when I see increase, that means a plus sign. I know it is very difficult for some people to understand the simple plus and minus, but we are going to increase it, increase spending in California with Federal dollars by 22 percent.

Over the past 7 years the Federal Government's spending in California was \$1.1 trillion. Under our Republican plan that unfortunately was vetoed by the President, total Federal spending in California would have been \$1.46 trillion, an increase of 31 percent. Again, we are talking about a plus, not a minus sign. Social Security payments to Californians would increase by \$15.9 billion over the next 7 years. Federal welfare spending would increase by \$40 billion in the State of California over the next 7 years; the Medicare payments also, \$9.2 billion over the next 7 years, and Medicaid payments, giving more control to the State, and yet we are going to increase those Federal dollars by \$3.4 billion over the next 7 years.

What I am saying is we are increasing dollars. We cannot be talking about cuts. We are slowing that rate of growth. We are trying to put the Federal Government on a diet and yet do the job by taking regulations, bureaucracies, out of the system.

As a former State legislator in the State of California, I know what it was like to be told that you had to have a mandate, you had to do it the Washington bureaucrat way, and they treated us so often as if we did not have any sense, common sense; we did not have integrity at the State level, we had no compassion at the State level. I think what I saw, my colleagues on both sides of the aisle, be they Republican or Democrat, they were concerned about their constituents.

□ 1800

Mrs. SEASTRAND. So I just would like to give greater control to our States and the State of California and see that we have a better future for the State of California.

I would just like to add that a drop of 2 percent in interest rates with the balanced budget over the next 7 years would mean 97,000 new private sector jobs in California. I know the gentleman from California [Mr. RIGGS] is facing tough times in his district to the north of San Francisco on the coastline, and I am too on the central coast of California.

We have been hit very hard with defense closure. We are trying our very best to commercialize the spaceport at Vandenberg Air Force Base; we are trying to think of new ways for high-tech jobs.

But this means so much about what a balanced budget would mean to the State of California. It is going to reduce taxes of working families in California by \$23.8 billion over the next 7 years.

Let us look at a house in Santa Barbara. This might be unbelievable to some people across America, but in the county of Santa Barbara, the average home sells for \$225,000. Now, if they were to get a 30-year loan, we are talking about a savings, with a 2 percent drop in interest rates, a savings of \$111,000 over the life of that loan.

Now, I do not know about you, but again, it means something to my 23- and 25-year-old children when they are thinking of buying that home and starting their families.

In San Luis Obispo County, the other county in my district, the average home in 1995 was \$163,000. Well, again with that drop of 2-percent reduction in mortgage rates, if we have that balanced budget in 7 years, using those honest numbers, we are going to see that we are going to save those working families again, 23-, 25-year-olds that want to buy a home, they are going to save \$100,000. Now, that is not just a dollar here or there; this is real money.

It is interesting to note also, my son unfortunately had his car stolen, and he is now in the situation where he has to figure out how he is going to get a loan to buy another car and so on. A 4-year car loan, \$15,000. Well, if you have a 2-percent drop in interest rates, he can save \$900. Let me tell you, that is important to him.

My daughter is graduating, and she is looking to go on to a master's, and saying, Mom, I think I might do it on my own and look for some student loans. Well, again, a 10-year student loan, so important to my University of Santa Barbara and my Cal Poly students in San Luis Obispo. If they apply and receive a 10-year loan of say \$11,000, they are going to save \$2,160 over the life of that loan.

So all in all, this means so much that we push on; and unfortunately, our Balanced Budget Act of 1995 was vetoed by the President, and I am just hoping that as we move forward, we can continue to work for a balanced budget in the 7 years, with honest numbers working with the Congressional Budget Office.

Folks at home understand how we play funny games here in Washington, DC, and they know about the numbers and how we can take a zero here and move things around. They want honest numbers. My calls over the last several weeks, well over 1,000 phone calls, saying, hang in there, hang in there for a balanced budget in 7 years; I know I am going to have to feel a little pain; do it across the board, and let us balance this budget for our children and grandchildren.

So I just appreciate the gentleman from California letting me join him this evening to try and explain and get our message out about what this balanced budget means to people not only in the State of California, not only to my children, not only to my 83-year-old mom who depends on Medicare, but what it means to the folks across

America, those hard-working folks that want a better tomorrow.

Mr. RIGGS. Well, I very much appreciate the gentlewoman's comments. I want to stress a couple of points that the gentlewoman made.

First of all, I want to make sure everyone understands again that the principal form of tax relief that we want to give to families is a \$500 credit, child credit, and this is a tax credit, it is not a deduction, so it comes right off that bottom line on your tax return, your ultimate Federal tax liability, calculated after any other deductions.

The gentlewoman made a very good point, that the \$500-per-child tax credit means a \$1,000 tax break for a family of four, each and every year until those children become adults, and that is to say until they turn 18. Furthermore, the gentlewoman made an excellent point that with the reduction in interest rates to be brought about by our plan, and let us be clear about one thing and that is that interest rates have been steadily coming down since last, really since last November, and the election of the Republican majority of the Congress, but they have been coming down precipitously in recent weeks with the expectation of the markets that we are going to ultimately reach some sort of agreement regarding a 7-year plan to balance the Federal budget.

Those interest rate reductions mean, as the gentlewoman so well pointed out, that all Americans will benefit from our balanced budget plan. All Americans will pay less in interest on their home loans, their home mortgages; student loans is another example, car loans, and right down the list. It just basically means that any borrowing will be less expensive; that we will be able to give the American people some immediate tax relief as well as give the economy a real shot in the arm.

There is nothing that will stimulate the economy and job creation in the private sector faster, of course, than bringing down interest rates and bringing down taxes, as we also propose to do, for businesses through a reduction in long-term capital gains.

Mrs. SEASTRAND. Will the gentleman yield?

Mr. RIGGS. Of course.

Mrs. SEASTRAND. Mr. Speaker, it is interesting because so often we are told we have the tax cuts and we are giving them for the rich. I just want to point out my background. My daddy was a bus driver in the city of Chicago, a union man. My mom was a part-time office worker at the time, 1950's. I was a latchkey child and did not know it at the time. We have an unfortunate habit today of labeling everybody.

But I have worked hard, studied hard, and I am privileged to serve in this House. So I can really relate to those folks back there saying, oh, well, is this just one of those people who is looking out for the rich. I know what it is to sit around the kitchen table with my family looking to how we are going to pay for my college tuition and so on.

I came from that background. So I am very concerned that we do give tax relief to the working families.

I would just like to point out that 75 percent of our family tax credits are going to go to families earning less than \$75,000. Now, in today's world, \$75,000, you are not rich at \$75,000; and being a teacher by profession, Mr. Speaker, today you can have two teachers in the family working and you are lucky if you can make \$75,000. But we are talking about \$50,000 to \$75,000 for perhaps two teachers in the household working full time.

The other point I wanted to make, 90 percent of the tax credit going to families, what we are proposing, would go to families earning less than \$100,000. So we want to take care of the working families, because they know best what they are going to do when they sit around that kitchen table and figure out their priorities every month, or every 2 weeks, as it was in our family instance.

It was one of those situations that they know how to deal with best. Are we going to buy that coat, or are we going to buy the kitchen or the dining room, or are we going to forget about that and buy those expensive gym shoes that we have to get? Those are the kinds of things that the common folks in working America are concerned about.

So I wanted to point out that what I was supporting and what you are supporting is not for giving tax credits to the rich. We are talking about good old folks across America that are probably doing two jobs, three jobs, and trying to figure out how they are going to survive the next day.

Mr. RIGGS. Well, the gentlewoman makes again a very good point when she talks about most of the tax relief going to families in an income range of \$50,000 to \$75,000. She is describing middle-class families. Certainly, by the congressional districts that the gentlewoman from California [Mr. SEASTRAND] and I represent in California, \$50,000 to \$75,000 is very much middle class by the standards of our congressional district, and that again is where we target most of our tax relief. Those are the families who most need help again, most need relief from this pinch of rising taxes at the Federal, State, and local levels and stagnant or even declining wages in recent years.

I just want to point out that the President, after vetoing the balanced budget plan, has said he is now going to send us at long last, after 2 years and 11 months, he is going to send us his own specific balanced budget plan, but now he insists on using, despite his commitment in signing the short-term continuing resolution, despite his remarks 2 years ago in the State of the Union addressed about using the Congressional Budget Office as the honest referee in budget battles between the legislative branch of Government and the executive branch of Government, despite all of that, he wants to use his own Office of Management and Budget estimates, rosier economic projections,

generated by the Office of Management and Budget in the White House.

Well, Mr. President and my colleagues, we know that is a nonstarter, we know that kind of proposal is dead on arrival here on Capitol Hill. We know that the President earlier gave us a vague outline of a balanced budget plan, 22 pages, and it was based on those same OMB estimates, and when we handed that to the nonpartisan Congressional Budget Office for scoring. This is his plan that had deficits in the range of \$200 billion well into the next century. When we gave that to the nonpartisan Congressional Budget Office, they said, the plan in fact never balanced and would add almost an additional \$1 trillion on top of our national debt of \$5 trillion.

So again, I want to thank my colleague for joining me, and I want to close our special order and my remarks with a letter that I recently received from a friend and constituent back home, because I think it is so representative of the mail and the calls that so many of us have gotten in our office during the last few weeks as this budget battle has heated up back here in Washington. It is from a gentleman by the name of David Rudig, Ukiah, CA in Mendocino County, which is one of the counties that I represent in northwest California. He writes:

Dear Frank, Just a short note to say "hey" and that all of us are keeping an eye on things in Washington. I called your office at the beginning of the government shutdown to express support for the Republican effort to pass a balanced budget and reductions in government spending. The man who answered the phone in your office was almost surprised to get the call.

My wife went the same day and changed her voter registration to Republican. When I asked why, she just said, "Because of the President." Ditto for my oldest daughter.

I took the liberty of sending you a picture of my grandson in this "package."

Right here is David's grandson, and there is a little note on it; it says:

"Hi, my name is Patrick," here is a note.

"Hi, my name is Patrick. Unless you change things in Washington, I will owe 82 percent of all of the money that I will ever earn to the Federal Government. Please help me." This is based on the Federal budget, the year he was born. So he says—

I took the liberty of sending you a picture of my grandson in this package. There is a quote on it. Please, if possible, put it on your desk and look at it each day. I got into this whole thing after he was born and I realized that unless I did something, I was not going to leave him a very good place to live in after I was gone. Our fight for this budget and the reinventing of government is about him and all of the other kids who do not realize that they owe 82 percent of everything that they are ever earn to the Federal Government. That is, unless we change things.

He goes on to just include another little article from one of the local newspapers back home, headlined, "GOP Child Tax Credit Will Cost \$700 Million to Implement," and he notes

the irony of this article which says, the IRS claims that it will cost hundreds of millions of dollars to let families keep more of their own hard-earned money.

So the message to David and to constituents back home is, be assured, we are going to hang in there, we are fighting the good fight, we are going to do what is right by our children; and with your support and with, frankly, the backing of the American people, we will prevail in this battle over the next week, or however long it takes, and we will convince the President to do the right thing and to sign into law a balanced 7-year budget.

I thank the Speaker for his indulgence, and I thank my colleague, Congresswoman SEASTRAND, for joining me for this special order.

□ 1815

MEDICAID

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mrs. CLAYTON] is recognized for 60 minutes.

Mrs. CLAYTON. Mr. Speaker, the debate over the budget reconciliation is really about people. We heard the other side just talk about the letter they received from their constituent and their grandson. It is about people. The reconciliation is about how we treat people, how we will have certain sectors of our community to survive and how others indeed may suffer. It will talk about whether we will reward those who are the wealthiest in our society and what sacrifices all of us must make in order to have a balanced budget.

So the balanced budget is not about programs or not just to balance the budget for balance sake, but it is indeed to balance the budget for the financial security of this country, so it can respond to the future of this country as well as respond to the current responsibilities of this country.

The question really is, should we treat Americans fairly or should we treat those who have great influence with due deference? Do we treat those that are wealthy with new respect or should we treat everybody right? Should those who have influence and who have wealth have the lion's share of the \$245 billion worth of tax cuts or should some of those cuts also be shared by those who make \$28,000 or less?

Those are the questions I think that should be a part of this debate, rather than trying to rationalize a budget proposal that balances the budget on the backs of the poor, the elderly, students, and the disabled in our community.

We should not put poor families, particularly those who are elderly, children and the disabled, under great stress. We should make sure that they have opportunities for the future so they can be contributing members of the society as anyone else.

Medicaid emphasizes that perhaps better than anything else. If we look

under Medicaid, we will see that poor families, the elderly, children, particularly the disabled indeed will pay great cost and make substantial sacrifice for the benefit of the wealthiest of those, to do what, to give wealthiest Americans a tax break.

When we understand that Medicaid really is often the only health care that some of our poorest elderly will have, because Medicare spends out very quickly, many of our elderly who need long-term health care will not be able to get that unless indeed they had Medicaid as a part of that.

The Republicans say that their plan does not cut Medicaid, that it only slows the growth by 5 percent. Well, when you examine that growth over a period of time, Medicaid costs have been going up about 10 percent, in part because a large number of people are eligible for Medicaid.

Now, I ask you, if you cut that by 5 percent, which of those eligible people who now will become eligible do you say, I no longer serve? They say it is not a cut, it is just limiting the growth. Well, if you have 5 percent less than you would have before, but yet you are going to have 10- to 15-percent more people, tell me who then indeed will not be served? Who do you choose? How do we make choices between which American will be served and which American is not served?

If we must make sacrifices, and I contend that we must make sacrifices if indeed we are going to have a balanced budget, why should that sacrifice not be a balanced one? The one certainly the Republicans have put forth, particularly on Medicaid, is not that way.

Understand their program well, now. This will turn back this program to the States as a block grant. Why? They say because the States, they are closest to the people and they know best how to treat the citizens of that State.

I share with you, I am a former county commissioner and I think I treated my constituents, and persons I had responsibility for very well, chaired my board and know the responsibilities that I had as a Chair trying to match the funds of Medicaid. But I can tell you with no reservation whatsoever, I would not have been able to provide the kind of help that we need at the local level unless the Federal Government was there.

Further, I contend there is a responsibility of the American people that the Federal Government has in providing health care to those who are most vulnerable. Furthermore, the States are in no position financially to take this up.

People are worried in my State of North Carolina. I refer, Mr. Speaker, and enter into the RECORD a news article that is from the News Observer this week, which is a local paper in my district:

[From the News Observer]

MEDICAID CHANGES FRIGHTEN FAMILIES

(By John Wagner)

Before long, North Carolina lawmakers may have to decide whether the state can continue to care for families like Deborah Altice's the way it does now.

Since Altice's husband was disabled by an auto accident a decade ago, Medicaid—the state-run health program for the poor—has paid for his medicine and numerous back operations. It has covered doctor's bills for the Zebulon couple's 9-year-old son and 7-year-old daughter. And just last month, Medicaid paid for the delivery of Altice's baby boy.

"We'd be in a pretty desperate situation without it," Altice says of Medicaid. "We'd have bills coming in, and there'd be no way we could afford to pay them."

Altice and her family are among tens of thousands of poor, disabled and elderly North Carolinians who have benefited during the last decade from a dramatic expansion of the state's Medicaid program.

The number of residents eligible for assistance has tripled since 1985. And spending on the program has grown even more rapidly—from about \$700 million a decade ago to a projected \$3.5 billion this year.

That's all about to change.

Under Congress' plan to balance the federal budget, North Carolina stands to lose more than a quarter of the Medicaid dollars it had expected to get from Washington by the year 2002. By one estimate, only six other states would lose a greater percentage of their federal funds.

President Clinton has pledged to fight Congress' cutbacks, but an alternative Medicaid plan being crafted by the White House curbs spending significantly as well.

As a result, North Carolina lawmakers are bracing for what many fear will be ugly fights at the General Assembly in coming years, with advocates for the poor, elderly and disabled all pitted against one another to maintain their share of the state's Medicaid spending.

"We're going to have to make some very difficult decisions," says state Sen. Roy Cooper, a Rocky Mount Democrat. "It will be a huge task, no doubt about it."

Cooper is one of a dozen lawmakers assigned to a study group on Medicaid that is scheduled to meet for the first time Tuesday.

The wide-ranging program they'll begin scrutinizing now serves more than 835,000 people—nearly one in seven North Carolina residents. Recipients range from poor families like Altice's to thousands of nursing-home residents to disabled folks like Dan Stanford, who benefits from a program that just started receiving Medicaid funding this year.

A Cary resident, Stanford, 26, is mentally retarded, autistic, deaf and legally blind. Medicaid pays for an around-the-clock assistant in his apartment to help him and a roommate with basic living skills such as getting dressed, making their beds and taking medication.

The cost to taxpayers for Stanford's help is about \$65,000 a year.

Stanford's parents say they're worried that the state will no longer be able to afford their son's services—services that they say have made his life more meaningful.

"We feel really helpless," says Dan's father, Bill Stanford. "We're not very optimistic about our chances."

Much of the tremendous growth in North Carolina's Medicaid spending has been fueled by actions state lawmakers have taken to extend coverage to new groups of people.

Before 1988, for example, Medicaid covered pregnant women only if they were on welfare